

PRESIDENT ROOSEVELT'S ANNUAL MESSAGE TO THE CONGRESS OF THE UNITED STATES

WASHINGTON, Dec. 2.—President Roosevelt's annual address to Congress was read in both houses today. The full text of the document follows:

We still continue in a period of unbounded prosperity. This prosperity is not the creature of law, but undoubtedly the laws under which we work have been instrumental in creating the conditions which made it possible, and by unwise legislation it would be easy enough to destroy it. There will be no more periods of depression. The wave will recede, but the tide will advance. This Nation is seated on a continent flanked by two great oceans. It is composed of men the descendants of pioneers, men in a sense, pioneers themselves; of men winnowed out from among the nations of the Old World by the energy, boldness and love of adventure found in their own eager hearts. Such a Nation, so placed, will surely reap success from fortune.

As a people we have played a large part in the world, and we are bent upon making our future as bright as our past. In particular, the events of the last four years have definitely decided that, for us or for weal, our place must be great among the nations. We may either fall great or succeed great; but we cannot avoid the endeavor from which either great failure or great success must come. Even if we would, we cannot play a small part. It is a question of time, not of degree, as to when we should play a large part ignominiously and shamefully. But our people, the sons of the men of the Civil War, the sons of the men who had iron in their blood, and who in the present and face the future high tide of heart and resolute of will. Ours is not the creed of the weakling and the coward; ours is the gospel of hope and of triumphant endeavor. We do not shrink from the struggle before us. There are many problems for us to face at the outset of the 20th century—grave problems abroad and still graver at home; but we know that we can solve them and solve them well, provided only that we bring to the solution the qualities of head and heart which were shown by the men who, in the days of Washington, founded our Government, and, in the days of Lincoln, preserved it.

No country has ever occupied a higher plane of material well-being than ours at the present moment. Our people are better off than they have ever been before. The insurance companies, which were practically mutual benefit societies—especially helpful to men of moderate means representing accumulated capital which are among the largest in this country. There are more deposits in the savings banks, more owners of farms, more well-paid workmen, more country now than ever before in our history.

GOOD AND EVIL CORPORATIONS.
Outgrowth of Prosperity—Government Should Control Them.
Of course, when the conditions have favored the growth of so much that was good, they have also favored somewhat the growth of what is evil. It is eminently necessary that we should endeavor to cut out this evil, but let us keep a due sense of proportion; let us not in fixing our gaze upon the lesser evil, forget the greater good. We are to favor such some of them are menacing, but they are the outgrowth, not of misery or decadence, but of prosperity—of the progress of our gigantic industrial development. This industrial development must not be checked, but, side by side with it should go such progressive regulation as will diminish the evil. We should fall bravely and manfully to the task of eradicating the evil, but we shall succeed only if we proceed patiently, with practical common sense as well as resolution, separating the good from the bad and holding on to the former while endeavoring to get rid of the latter.

In my message to the present Congress at its first session I discussed at length the question of the trusts. I mentioned the large corporations commonly doing an interstate business, often with some tendency to monopoly, which are popularly known as trusts. The experience of the past year has been so convincing as to the desirability of the steps I then proposed. A fundamental requisite of social efficiency is a high standard of individual character, and in our present age it is wise inconsistent with power to act in combination for aims which cannot so well be achieved by the individual acting alone. A fundamental base of civilization is the inevitability of property; but this is in no wise inconsistent with the right of society to regulate the exercise of the artificial powers which it confers upon its citizens, and which, under the name of corporate franchises, in such a way as to prevent the misuse of these powers. Corporations, and especially combinations of corporations, should be managed under public regulation. Experience has shown that under our system of government the necessary supervision cannot be obtained by state action. It follows, therefore, to be achieved by National action.

Not Hostile Attack but Correction.
Our aim is not to do away with corporations; on the contrary, these big aggregations are an inevitable development of modern industrial civilization, and the effort to destroy them would be futile unless accomplished in ways that would work the utmost mischief to the entire body politic. We can do nothing of good in the way of regulating the public life of corporations until we fix clearly in our minds that we are not attacking the corporations, but endeavoring to do away with any evil in them. We are not hostile to them; we are merely determined that they shall be so handled as to subserve the public good. We draw the line against misconduct, not against wealth. The capitalist who works in conjunction with his fellows, performs some great industrial feat by which he wins money, is a welder, not a wrongdoer, provided only he works in proper and legitimate lines. We wish to favor such a man when he does well. We wish to supervise and control his actions only to prevent him from doing ill. Publicity can do no harm to the honest corporation, and we need not be over-drawn about "sparing the dishonest corporation."

In curbing and regulating the combinations of capital, which are or may become injurious to the public, we must be careful not to stop the great enterprises which have legitimately reduced the cost of production, not to abandon the place which our country has won as the leader of the international industrial world, not to strike down wealth with the result of closing factories and mines, of turning the workman's idle in the streets and leaving the farmer without a market for what he grows. Insistence upon the impossible means delay in achieving the possible, exactly as, on the other hand, the stubborn defense alike of what is good and what is bad in the existing system, the resolute effort to obstruct any attempt at betterment, betrays blindness to the historic truth that wise evolution is the sure safeguard against revolution.

Regulation of Interstate Business.
No more important subject can come before the Congress than this of the reg-

ulation of interstate business. This country cannot afford to sit idle upon the plea that the present system of government we are helpless in the face of the new conditions, and unable to grapple with them or to cut out whatever evil has arisen in connection with them. The power of the Congress to regulate interstate commerce is an absolute and unqualified grant, and without limitations other than those prescribed by the Constitution. The Congress has constitutional authority to make all laws necessary and proper for executing this power, and I am satisfied that this power has never been exhausted by any legislation now on the statute books. If evident, therefore, that evils restrictive of commercial freedom and entailing restraint upon National commerce fall within the scope of the interstate commerce law, it is a wise and reasonable law would be a necessary and proper exercise of Congressional authority to the end that such evils should be eradicated. I believe that monopolies, unjust dis-

RECOMMENDATIONS IN PRESIDENT'S MESSAGE

Corporations, and especially combinations of corporations, should be managed under public regulation.

It is earnestly hoped that the Secretary of Commerce may be created, with a seat in the Cabinet.

There should be no halt in the work of building up the Navy, providing every year additional fighting craft.

Provision should be made to enable the Secretary of War to keep cavalry and artillery horses worn out in long performance of duty.

I urgently call your attention to the need of passing a bill providing for a general staff, and for the reorganization of the supply departments on the lines of the bill proposed by the Secretary of War last year.

Alaska should have a Delegate in the Congress. It would be well if a Congressional committee could visit Alaska and investigate its needs on the ground.

It would be both unwise and unnecessary at this time to attempt to reconstruct our financial system, which has been the growth of a century; but some additional legislation, I think, desirable.

I commend to the favorable consideration of the Congress the Hawaiian fire claims, which were the subject of careful investigation during the last session.

I again call your attention to the need of passing a proper immigration law, covering the points outlined in my message to you at the first session of the present Congress; substantially such a bill has already passed the House.

In my judgment the tariff on anthracite coal should be removed, and anthracite put actually, where it now is nominally, on the free list. This would have no effect at all save in crises; but in crises it might be of service to the people.

In view of the capital importance of these matters (tariff adjustments), I commend them to the earnest consideration of the Congress, and if the Congress finds difficulty in dealing with them from lack of thorough knowledge of the subject, I recommend that provision be made for a commission of experts specially to investigate and report upon the complicated questions involved.

I urge the adoption of reciprocity with Cuba, not only because it is eminently for our own interests to control the Cuban market and by every means to foster our supremacy in the tropical lands and waters south of us, but also because we of the giant Republic of the north should make all our sister nations of the American Continent feel that whenever they will permit it we desire to show ourselves disinterestedly and effectively their friend.

I again recommend to the favorable consideration of Congress the plans of the Smithsonian Institution for making the museum under its charge worthy of the Nation, and for preserving at the National Capital not only records of the vanishing races of men, but of the animals of this continent, which, like the buffalo, will soon become extinct unless specimens from which their representatives may be renewed are sought in their native regions and maintained there in safety.

There must never be any change in the standard of living, the comfort, the standard of wages of the American workman.

One way in which the readjustment sought can be reached by reciprocity treaties, if such treaties be adopted. They can be used to widen our markets and to give a greater field for the activities of our producer, and to safeguard the hand to secure in practical shape the lowering of duties when they are no longer needed for protection from our own people, or when the minimum of damage done by a lowering of duties on a given product, if possible, such change should be made only after the fullest consideration by practical experts, who should approach the subject from a high standpoint, having in view both the particular interests affected and the commercial well-being of the people as a whole. The machinery for providing such careful and scientific examination of the executive department has already at its disposal methods of collecting facts and figures; and if the Congress desires additional information on any subject given the subject by its own committees, then a commission of business experts can be appointed whose duty it should be to recommend action by the Congress after a deliberate and scientific examination of the various schedules as they are affected by the changed and changing conditions. The unbiassed and unbiased report of this commission should be made in the various schedules, and how far these changes could go without also changing the great prosperity which this country has achieved by setting its fixed economic policy. The cases in which the tariff can produce a monopoly are so few as to constitute an inconspicuous factor in the question; but of course if it is found that a given rate of duty does produce a monopoly which works ill, no protectionist would object to such reduction of the duty as would create competition.

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FINANCIAL CONDITION OF COUNTRY.
All Kinds of Money Should be Made Interchangeable.

Interest rates are a potent factor in business activity, and in order that these rates may be equalized to meet the varying needs of the several widely separated communities, and to prevent the injurious effect of financial stringencies which are necessary to meet these requirements of the subject, but at least it can be made secondary to the business interests of the country—that is, to the interests of our people as a whole. Unquestionably

these business interests will best be served if together with fixity of principle as regards the rates we combine a system which will permit us from time to time to make the necessary reapplication of the principle to the shifting National needs. We must take scrupulous care that the reapplication shall be made in such a way that it will not amount to a dislocation of our system, the mere threat of which (not to speak of the performance) would produce a necessary loss of business energies of the community. The first consideration in making these changes would, of course, be to preserve the principle which underlies the whole tariff system—that is, the principle of putting American business interests at least on a full equality with interests abroad, and of always allowing a sufficient margin for the holder, no matter where the labor cost here and abroad. The well-being of the wage-worker, like the well-being of the tiller of the soil, should be treated as an essential in shaping our whole economic

subject should be with the view of encouraging the use of such instrumentalities as will automatically supply every legitimate demand for money in the field of commerce, not only in the amount, but in the character of circulation; and of making all kinds of money interchangeable and the will of the holder convertible into the established gold standard.

I again call your attention to the need of passing a proper immigration law, covering the points outlined in my message to you at the first session of the present Congress; substantially such a bill has already passed the House.

LABOR AND CAPITAL.
Federation of One as Just as Federation of the Other.

How to secure fair treatment alike for labor and capital, how to hold in check the unscrupulous man, whether employer or employee, without weakening individual initiative, without hampering and cramping the industrial development of the country, these are the questions which it is of the highest importance to solve on lines of sanity and far-sighted common sense as well as of devotion to the right. This is an era of competition and combination. Exactly as business men find they must often work through corporations, and as it is a constant tendency of these corporations to grow larger and larger, so is the tendency for laboring men to work in federations, and these have become important factors of modern industrial life. Both kinds of federation, the one for laboring men, the other for business men, can do much good, and as a necessary corollary they can both do evil. Opposition to each kind of organization should take the form of opposition to whatever is done in the conduct of either, whether by corporation or union, that is not for the benefit of the community as a whole; or for the benefit of the most far-reaching beneficent work for our people; or for the benefit of the best interests of the community as a whole.

Every employer, every wage-worker, must be guaranteed his liberty and his right to his own labor, and he must be permitted to dispose of his labor as he sees fit, provided he does not infringe upon the rights of others. It is of the highest importance that employer and employee alike should endeavor to appreciate each other's standpoint, the other and the sure disaster that will come upon both as long as they either grow to take as habitual an attitude of sour hostility and distrust toward the other. Few people deserve better of the country than these representatives both of capital and labor—and there are many such—who work unconsciously to bring about a good understanding of the kind which will lead to broad and kindly sympathy between employers and employed. Above all, we need to remember that any kind of class distinction is a bad thing, and that, as possible, even more wicked, even more destructive to national welfare, than sectional, race or religious animosity. We cannot go to government only upon condition that we be treated as if we were a class of the poor, whatever his creed, his occupation, his birthplace or his residence, is that he shall act well and honorably by his conduct toward the other. Neither for the rich man as such nor for the poor man as such; we are for the upright man, rich or poor. So far as the constitutional powers of the National Government touch these matters, they should be exercised in conformity with the principles above set forth.

Secretary of Commerce Needed.
It is earnestly hoped that the Secretary of Commerce may be created, with a seat in the Cabinet. The rapid multiplication of questions affecting labor and capital, the growth and complexity of the organization of the Panama Canal, the General now find expression, the steady tendency toward the employment of capital in huge corporations, and the wonderful growth of the country toward leadership in the international world, make it imperative that we should have a Secretary of Commerce, who should be empowered to deal with and exercise supervision over the whole subject of the great corporations doing an interstate business, and to have the power of recommending to the Congress such action as he may deem necessary in view of the various schedules as they are affected by the changed and changing conditions. The unbiassed and unbiased report of this commission should be made in the various schedules, and how far these changes could go without also changing the great prosperity which this country has achieved by setting its fixed economic policy.

RECIPROcity WITH CUBA.
We Should Stretch Out a Helping Hand to the Island.

I hope soon to submit to the Senate a reciprocity treaty with Cuba. On May 29 last the United States kept its promise to the island by formally vacating Cuban soil and turning Cuba over to those whom we had designated as the first officials of the new republic.

Cuba lies at our doors, and whatever affects her good or ill affects us. We must have a closer political relation with us than we have at present. This is a serious Cuba has become a part of our international political system. This makes it necessary that in return she should give some of the benefits of becoming a sister state to us, and that we should, from our own standpoint, short-sighted and mischievous policy to fail to recognize this need. Moreover, it is unworthy of a great and generous nation, like the United States, to refuse to stretch out a helping hand to a young and weak sister republic just entering upon its career of independence, and to insist upon its own rights in the face of the strong, and we should with unrelenting hand do our generous duty by the weak.

Cuba not only because it is eminently for our own interests to control the Cuban market and by every means to foster our supremacy in the tropical lands and waters south of us, but also because we of the giant Republic of the north, should make all our sister nations of the American Continent feel that whenever they will permit it we desire to show ourselves disinterestedly and effectively their friend.

A convention with Great Britain has been concluded, which will be at once laid before the Senate for ratification, providing for reciprocal trade arrangements between the United States and Newfoundland on substantially the lines of the commercial treaty negotiated by the Secretary of State. Mr. Bland believes reciprocal trade relations will be greatly to the advantage of both countries.

ARRBITRATION BETWEEN NATIONS.
United States and Mexico First Before the Hague Tribunal.

As civilization grows warfare becomes less and less the normal condition of foreign relations. The world has witnessed a marked diminution of wars between civilized powers; wars with uncivilized powers are largely mere matters of international police duty, essential for the welfare of the world. Wherever possible, arbitration or some similar method should be employed in lieu of war to settle dif-

ferences between civilized nations, although as yet the world has not progressed sufficiently to render it possible or necessarily desirable to invoke arbitration in every case. The formation of the International Tribunal which sits at The Hague is an event of good omen from which great consequences may be expected. It is far better, where possible, to invoke such a permanent tribunal than to create special arbitrators for a given purpose.

It is a matter of sincere congratulation to our country that the United States and Mexico should have been the first to use the good offices of The Hague court. This was one step toward a more satisfactory result in the case of a claim at issue between us and our sister republic. It is earnestly to be hoped that this court will serve as a precedent for others, in which not only the United States but foreign nations may take advantage of the machinery already in existence at The Hague.

I commend to the favorable consideration

of our people the work of the Army and the civil authorities together, and it may be questioned whether anywhere else in modern times the world has seen a better example of real constructive statesmanship than our people have given in the Philippine Islands.

Every effort should be made to develop the Indian along the lines of natural aptitude, and to encourage the existing native industries peculiar to certain tribes, such as the various kinds of basket weaving, canoe building, smith work and blanket work.

Gratifying progress has been made during the year in the extension of the merit system of making appointments in the Government service. It should be extended by law to the District of Columbia. It is much to be desired that our Consular system be established by law on a basis providing for appointment and promotion only in consequence of proved fitness.

Among the conditions is one reserving the power of the Congress to modify or repeal any or all of them. A copy of the bill has been transmitted.

Of Porto Rico it is only necessary to say that the prosperity of the island and the wisdom with which it has been governed have been such as to make it serve as a model of all that is best in insular administration.

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Policy of Holding the Islands Amply Vindicated.

On July 4 last, on the 15th anniversary of the Declaration of our Independence, peace and amnesty were proclaimed in the Philippine Islands. Some trouble has since been introduced, but the Government of the Mohammedan Moros, but with the late insurrectionary Filipino war has now entirely ceased. Civil government has now been introduced. Not only does each Filipino enjoy such rights to life, liberty and the pursuit of happiness as he has never before known during the recorded history of the islands, but the people, taken as a whole, now enjoy a measure of self-government greater than that granted to any other Orientals by any foreign power, and greater than that enjoyed by any other Oriental who has his own Government.

We have given the Japanese alone, we have not gone too far in granting these rights of liberty and self-government; but we have certainly gone to the limit that in the interests of the Philippine people themselves it was wise or just to go. To hurry matters, to go faster than we are now going, would entail calamity on the people of the islands. No policy ever entered into by the American people has vindicated itself in more signal manner than the policy of holding the Philippines. The triumph of our arms, above all the triumph of our intellect, in securing these islands to us, which we had any right to expect. Too much praise cannot be given to the Army for what it has done in the Philippines both in warfare and from an administrative standpoint in preparing the way for civil government, and similar credit belongs to the civil authorities for the way in which they have planted the seeds of self-government in the ground thus made ready for them. The courage, the unflinching endurance, the high soldierly efficiency, and the general kind-heartedness and humanity of our troops have been strikingly manifested.

There now remain only some 15,000 troops in the islands. All told, over 100,000 have been sent there. Of course, there is no more possible to improvise a navy than it is possible to improvise a warship. To build the finest ship, with the deadliest battery, and to send it aloft with a raw crew, no matter how brave

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In view of woman's physical comfort and peace of mind during the entire period of gestation, as well as the delivery at the end of that period, MOTHER'S FRIEND is compounded which banishes morning sickness and nervousness during pregnancy; shortens labor and makes it nearly painless; builds up the patient's constitutional strength, so that she emerges from the ordeal without danger. The little one, too, shows the effect of MOTHER'S FRIEND by its robustness and vigor.

THE PACIFIC CABLE.
Arrangements Completed for Laying Line Across the Ocean.

During the Fall of 1901 a communication was addressed to the Secretary of State by the Pacific Cable Corporation, asking that it be granted by the President to lay a cable from a point on the Callifornia coast to the Philippine Islands by way of Hawaii. A statement of conditions upon which such a corporation would undertake to lay and operate a cable was volunteered.

Inasmuch as the Congress was shortly to convene, and the Pacific cable legislation had been the subject of consideration by the Congress for several years, it seemed to me wise to defer action upon the application until the Congress had first an opportunity to act. The Congress adjourned without taking any action, leaving the matter in exactly the same condition in which it stood when the Congress convened.

Meanwhile it appears that the Commercial Pacific Cable Company had promptly proceeded with preparations for laying its cable. It is believed that the President, in view of the fact that the company, for the purpose of discovering a practicable route for a trans-Pacific cable, the company, during the past year, had been making a cable much sooner than it was required to take soundings upon its own account.

It is believed that the subject appeared important and desirable to attach certain conditions to the permission to examine and use the soundings, if it should be granted.

In consequence of this solicitation of the Cable Company, certain conditions were formulated, upon which the President was willing to allow access to these soundings to the United States and to other countries, and in addition thereto imposed by the Congress. This was deemed proper, expect-

ally as it was clear that a cable connection of some kind with China, a foreign country, was a part of the company's plan. This course was, moreover, in accordance with a line of precedents, including President Grant's action in the case of the first French cable, explained to the Congress in his annual message of December, 1875, and the instance occurring in 1875, of the second French cable from Brest to St. Pierre, with a branch to Cape Cod.

These conditions prescribed, among other things, a maximum rate for commercial messages and that the company should construct a line from the Philippine Islands to China, there being at present, as is well known, a British line from Manila to Hong Kong.

The representatives of the Cable Company stated the conditions long under consideration, continuing in the meantime, to prepare for laying the cable. They have, however, at length acceded to them, and an all-American line between our Pacific Coast and the Chinese Empire, by way of Honolulu and the Philippine Islands, is thus provided for, and is expected within a few months to be ready for use.

Among the conditions is one reserving the power of the Congress to modify or repeal any or all of them. A copy of the bill has been transmitted.

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Arrangements Completed for Laying Line Across the Ocean.

During the Fall of 1901 a communication was addressed to the Secretary of State by the Pacific Cable Corporation, asking that it be granted by the President to lay a cable from a point on the Callifornia coast to the Philippine Islands by way of Hawaii. A statement of conditions upon which such a corporation would undertake to lay and operate a cable was volunteered.

Inasmuch as the Congress was shortly to convene, and the Pacific cable legislation had been the subject of consideration by the Congress for several years, it seemed to me wise to defer action upon the application until the Congress had first an opportunity to act. The Congress adjourned without taking any action, leaving the matter in exactly the same condition in which it stood when the Congress convened.

Meanwhile it appears that the Commercial Pacific Cable Company had promptly proceeded with preparations for laying its cable. It is believed that the President, in view of the fact that the company, for the purpose of discovering a practicable route for a trans-Pacific cable, the company, during the past year, had been making a cable much sooner than it was required to take soundings upon its own account.

It is believed that the subject appeared important and desirable to attach certain conditions to the permission to examine and use the soundings, if it should be granted.

In consequence of this solicitation of the Cable Company, certain conditions were formulated, upon which the President was willing to allow access to these soundings to the United States and to other countries, and in addition thereto imposed by the Congress. This was deemed proper, expect-

of our people the work of the Army and the civil authorities together, and it may be questioned whether anywhere else in modern times the world has seen a better example of real constructive statesmanship than our people have given in the Philippine Islands.

Every effort should be made to develop the Indian along the lines of natural aptitude, and to encourage the existing native industries peculiar to certain tribes, such as the various kinds of basket weaving, canoe building, smith work and blanket work.

Gratifying progress has been made during the year in the extension of the merit system of making appointments in the Government service. It should be extended by law to the District of Columbia. It is much to be desired that our Consular system be established by law on a basis providing for appointment and promotion only in consequence of proved fitness.

Among the conditions is one reserving the power of the Congress to modify or repeal any or all of them. A copy of the bill has been transmitted.

Of Porto Rico it is only necessary to say that the prosperity of the island and the wisdom with which it has been governed have been such as to make it serve as a model of all that is best in insular administration.

AFFAIRS IN THE PHILIPPINES.
Policy of Holding the Islands Amply Vindicated.

On July 4 last, on the 15th anniversary of the Declaration of our Independence, peace and amnesty were proclaimed in the Philippine Islands. Some trouble has since been introduced, but the Government of the Mohammedan Moros, but with the late insurrectionary Filipino war has now entirely ceased. Civil government has now been introduced. Not only does each Filipino enjoy such rights to life, liberty and the pursuit of happiness as he has never before known during the recorded history of the islands, but the people, taken as a whole, now enjoy a measure of self-government greater than that granted to any other Orientals by any foreign power, and greater than that enjoyed by any other Oriental who has his own Government.

We have given the Japanese alone, we have not gone too far in granting these rights of liberty and self-government; but we have certainly gone to the limit that in the interests of the Philippine people themselves it was wise or just to go. To hurry matters, to go faster than we are now going, would entail calamity on the people of the islands. No policy ever entered into by the American people has vindicated itself in more signal manner than the policy of holding the Philippines. The triumph of our arms, above all the triumph of our intellect, in securing these islands to us, which we had any right to expect. Too much praise cannot be given to the Army for what it has done in the Philippines both in warfare and from an administrative standpoint in preparing the way for civil government, and similar credit belongs to the civil authorities for the way in which they have planted the seeds of self-government in the ground thus made ready for them. The courage, the unflinching endurance, the high soldierly efficiency, and